Message Text

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72
ACTION ARA-20

INFO OCT-01 ISO-00 SP-03 AID-20 EB-11 NSC-07 RSC-01

   CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02 L-03 H-03

   FEA-02 INT-08 TAR-02 AGR-20 CIAE-00 COME-00 FRB-03

   INR-11 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01 PA-04

   PRS-01 USIA-15 DRC-01 /196 W
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R 081547Z AUG 74
FM AMEMBASSY MONTEVIDEO
TO SECSTATE WASHDC 7092

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E.O. 11652: N/A
TAGS: ETRD UY
SUBJ: INVENTORY OF URUGUAY TRADE PROBLEMS

REF: STATE 168954

1. THE REFERENCED TELEGRAM HAS GENERALLY IDENTIFIED THE
PRINCIPAL URUGUAYAN TRADE PROBLEMS IN SELLING TO US.

2. WHILE IT IS TRUE THERE IS NO MAJOR US TRADE PROBLEM WITH
URUGUAY, MANDATORY CREDIT FOR IMPORTS (180 DAYS FOR MOST
IMPORTS, 5 YEARS FOR CAPITAL GOODS) LIMITS THE ATTRACTIVENESS OF
THIS MARKET. THE REQUIREMENT FOR CONSULAR INVOICES FOR NORMAL
COMMERCIAL SHIPMENTS HAS CREATED SOME PROBLEMS, PARTICULARLY FOR
SUPPLIERS FROM THE WEST COAST. ARCHAIC CONSULAR INVOICE SYSTEM
SERVES NO USEFUL PURPOSE AND ADDS TO TIME AND COST OF IMPORTS.
ELIMINATION WOULD BE IN LINE WITH GOU'S EXPRESSED INTENTION
TO SIMPLIFY AND LIBERALIZE ITS TRADE REGIME. FOR USG, ABOLITION
OF CONSULAR INVOICES COULD PROVIDE VISIBLE AND USEFUL, THOUGH
SMALL, ELEMENT OF RECIPROCOTITY.

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3. REGARDING URUGUAY/LA TRADE PROBLEMS, CONTINUING COMPLAINT

HERE HAS BEEN THE LARGE TRADE DEFICIT OF URUGUAY WITH ITS LAFTA
PARTNERS (NEARLY $90 MILLION IN 1973) ALTHOUGH THIS HAS EASED IN
1974 BECAUSE OF BEEF SHIPMENTS TO BRAZIL.

4. URUGUAY HAS HAD LONG TERM CONTRACTS WITH OIL SUPPLIERS AND
THE INTERNATIONAL COMPANIES DISTRIBUTING OIL PRODUCTS HERE (EXXON,
SHELL, TEXACO) HAVE OFFERED TO CONTINUE SUPPLYING AT LEAST 50 PCT
OF URUGUAY'S IMPORTS OF CRUDE. THE OTHER HALF IS CONTRACTED
UNTIL NEXT JUNE WITH BRITISH PETROLEUM. SUPPLY HAS NOT BEEN
DIFFICULT BUT COSTS AND AVAILABILITY OF CREDIT TO PAY FOR OIL IMPORTS
CERTAINLY ARE MASSIVE PROBLEMS.
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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Control Number: n/a
Copy: SINGLE
Draft Date: 08 AUG 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: cunninfx
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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30 JUN 2005

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To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005